

PROactive

Pre Retirement Opportunities for proactive employees

Office of Retirement Services, Fall 2008

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News from Social Security

Estimate your retirement benefits! Estimating your future retirement benefits is now easier than ever before at:

www.socialsecurity.gov/estimator

The online retirement estimator is a personalized, convenient and secure financial planning tool that lets you calculate how much you might expect to receive in social security benefits when you retire.

This newsletter is brought to you by the Department of Management and Budget, Office of Retirement Services.

The purpose of *PROactive* is to offer ideas and retirement updates to help you plan for a successful financial future.



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Save time with miAccount

Do you want a simple way to track your pension progress? Make your retirement planning easier by logging into **miAccount**, a secure section of our website, where you can view, print, and change your personal account information.

miAccount is an online time-saving retirement tool that offers instant service and access to your personal account. miAccount allows you to quickly and easily:

- Add or change your pension beneficiary.
- View your wage and service credit history.
- Correspond with retirement staff about personal account information through the secure message board.
- Estimate and save up to four different pension calculations.

And soon miAccount will allow you to apply for retirement online.

Simple steps to get started today!

Use your Member ID, found in your 2008 *Member Statement*, to register with miAccount. Once you've logged in, create your personalized password, and get started on your road to retirement success. It's that simple!

Register now with miAccount and make sure you check your account regularly to ensure a secure financial future.

miACCOUNT



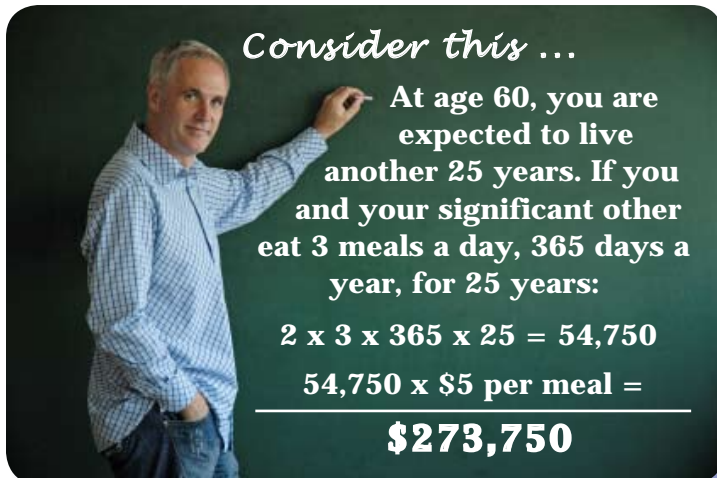
1. Go to www.michigan.gov/ORSstateDB
2. Click on the miAccount button.
3. Click Register Now.

Know your financial retirement needs

Due to inflation, increasing medical costs, and longer life spans, recent reports are estimating that U.S. employees will need at least 80 percent of their income in retirement in order to maintain their standard of living.

“This percentage seems to be rising and may seem overwhelming at first,” said Phil Stoddard, ORS Director. “However, the more you know now, and the more you plan for the money you’ll need in retirement, the better off you’ll be in the long run.”

Have you ever wondered how much you’ll spend on food when you retire?



Consider this ...

At age 60, you are expected to live another 25 years. If you and your significant other eat 3 meals a day, 365 days a year, for 25 years:

$$2 \times 3 \times 365 \times 25 = 54,750$$

$$54,750 \times \$5 \text{ per meal} =$$

\$273,750

Estimate your retirement expenses and make sure your pension, personal savings, and social security benefits will be enough to support your secure financial future.

Retirement Saving Tips

- The younger you start, the longer compound interest can work in your favor.
- Know how much you’ll need in retirement.
- Use employer sponsored savings options, such as the 401(k) and 457 Deferred Compensation plans managed by ING.
- Take advantage of information from ORS and the ING Advisor Service.

Understanding service credit

Did you know that your years of service can affect your pension eligibility and pension amount?

Your service credit reflects the number of years you’ve worked for the state of Michigan.

There are ways to increase the years of service factored in your pension calculation. You may be able to transfer certain types of service credit, repay a refund of contributions, or purchase service credit.

Keep in mind that the cost for many types of service credit is based on your age at the time of purchase, as well as your highest previous fiscal year earnings. Other service credit types may include accumulated interest in the cost. As a result, purchasing earlier in your career is usually cheaper.

Interested in purchasing service credit?

If you are interested in increasing your pension amount, or qualifying earlier by adding to your service credit, check out the [Service Credit – Earning & Purchasing](#) section of our website for in-depth details on the types of service credit available, how to apply, and how to pay for your purchase.

You can also log into miAccount to view your service credit history and calculate the cost of purchasing certain types of service credit.

New Member IDs promote security

At ORS, we take seriously our responsibility to safeguard your confidential retirement information. For this reason, we are now using a personalized, secure Member ID instead of your social security number.

You will be asked to provide your Member ID when contacting ORS by phone or mail. We will use your Member ID when we correspond with you.

Your unique Member ID is printed on the first page of your enclosed *Member Statement*. Be sure to keep your Member ID in a safe place; you will need it when contacting ORS and to register for miAccount.